

ALJ/ec

Decision 84 09 038

SEP 6 1984

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion to amend General Orders 101-C, 115-B, 111-B, 121-A and 120-C to increase minimum public liability and property damage insurance requirements for passenger stage corporations, charter-party carriers, vessel common carriers, for-hire vessels, intrastate passenger air carriers and commercial air operators, delete requirements for federally authorized or exempted air carriers; and make certain administrative changes in General Order 100-J.

OII (Rulemaking) 83-08-03
(Filed August 17, 1983)

O P I N I O N

This investigation was instituted to determine whether the minimum liability insurance coverage required of passenger stage corporations (General Order (GO) 101-C), charter-party carriers of passengers (GO 115-B), vessel common carriers (GO 111-B), for-hire vessels (GO 120-C), and intrastate passenger air carriers and commercial air operators with no interstate operations (GO 120-C) should be increased. Proposed GO 100-K is to replace GO 100-J, which regulates "all highway carriers, freight forwarders which operate motor vehicles, household goods carriers and highway carriers engaged in interstate or foreign transportation of property for compensation which are exempt from regulation by the Interstate Commerce Commission (ICC)."

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GO 100-K provides for changes in the processing of insurance requirements, but does not increase the minimum coverage provided for in the prior general order.

Before 1979 the minimum public liability and property damage insurance requirements for highway carriers (GO 100-Series) and all of the passenger carriers noted above were approximately the same: \$100,000/\$300,000/\$50,000. In October 1979 by Case (C.) 10278, Decision (D.) 89201, the Commission increased these requirements to \$250,000/\$500,000/\$100,000 for highway carriers, and \$500,000/\$1,000,000/\$200,000 for petroleum tank carriers. In December 1978 the Commission instituted an investigation of the adequacy of minimum insurance requirements for passenger stage corporations and charter-party carriers (OII 35). The OII was discontinued by D.92258, due to an apparent lack of public interest. Public hearings were held with only the Commission staff in attendance, presenting evidence which did not justify increasing the minimum insurance requirements. Thus, in 1979 the insurance requirements were increased only for highway carriers and petroleum carriers.

Copies of the order instituting this investigation (OII) were mailed to California Trucking Association, Associated Independent Owner-Operators, Inc., California Moving and Storage Association, Independent Contract Carriers, California Carriers Association, California Dump Truck Owners Association, and the Highway Carriers Association. Copies were mailed to 24 insurance agents and companies who insure vehicle passenger carriers, and to four organizations who write insurance for vessel and aircraft

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operators. The order was also served on the California Highway Patrol, Department of Motor Vehicles, Metropolitan Transportation Commission (Berkeley), State Department of Transportation (Caltrans) and the Southern California Association of Governments (Los Angeles).

The institution of this investigation was noted in various trade publications and filing of written proposals or objections by prospective parties or members of the public was provided for in the order itself. There was no public comment, but an insurance company, a governmental agency, and a transportation attorney provided written comments and suggestions, as requested. All referred to the coverage recommended for passenger stages and charter-party carriers of passengers. Current minimum insurance requirements for passenger stage corporations and charter-party carriers are found in GO 101-C and GO 115-B. The insurance required is totaled as follows:

TABLE 1

(1)	(2)	(3)	(4)	(5)
7 passengers, or less	\$100,000	\$300,000	\$50,000	\$350,000
8 to 12 passengers, incl.	100,000	350,000	50,000	400,000
13 to 20 passengers, incl.	100,000	450,000	50,000	500,000
21 to 30 passengers, incl.	100,000	500,000	50,000	550,000
31 to 40 passengers, incl.	100,000	600,000	50,000	650,000
41 passengers or more	100,000	700,000	50,000	750,000

- (1) Kind of equipment (passenger seating capacity).
- (2) For bodily injuries to, or death of one person.
- (3) For bodily injuries to, or death of all persons injured or killed, in any one accident (subject to a maximum of \$100,000 for bodily injuries to, or death of one person).
- (4) For loss or damage, in any one accident, to property of others (excluding cargo).
- (5) Minimum for single limit coverage.

The staff recommended the following changes in minimum coverage.

- "(A) Bus Passenger Bodily Injury and Death Liability - a minimum for one passenger seat of at least \$150,000 and a minimum for each accident in any one bus of at least an amount equal to the total produced by multiplying \$150,000 by the number of passenger seats in the bus."
- "(B) Bus Bodily Injury and Death Liability (excluding persons aboard bus) - a minimum of \$150,000 for one person in one accident, and a minimum of \$500,000 for each accident."
- "(C) Bus Property Damage Liability - a minimum of \$100,000 for each accident."

It is further provided in the recommended change that a carrier's operating authority will be automatically suspended on cancellation or suspension of a policy or certificate of insurance and that automatic revocation will follow, if the insurance is not reinstated within 30 days of the date the operating authority is suspended for lack of insurance. There is to be no reinstatement of operating authority revoked for failure to have evidence of insurance on file. The carrier whose authority has been revoked will be required to file a formal application for new authority without receiving any preference as a prior holder of operating rights.

As previously stated, the written comments received by the Commission dealt exclusively with passenger stage insurance. Caltrans stated that requiring liability insurance of \$150,000 per passenger seat was "excessive and unreasonable" since a 46-passenger bus would require a minimum of \$6,900,000 (38% more than the ICC requirement for insurance for a single accident). Buses carrying in excess of 72 passengers are licensed in California. A vehicle of this capacity would require at least \$10,800,000 worth of insurance (116% over the ICC requirement) for every accident. Thus, interstate buses operating throughout California would require far less

insurance than local operators. Caltrans does not favor automatic suspension and revocation of operating authorities without additional investigation since it believes that a challenge in the courts to automatic revocation is almost certain. Caltrans recommends that ICC requirements be adopted for minimum insurance coverage and proof of coverage.

An insurance carrier from Omaha, Nebraska, advised that adopting the staff recommendation will raise the minimum coverage required in California to far above that required by the ICC, or by any other state. It alleged that insurance costs, premiums, and claims will skyrocket, and some carriers may not be able to provide coverage at the suggested levels. The comment includes a table which recommends coverage for six categories of bus operators according to number of passengers transported. The lowest is seven passengers or less, with a recommended combined single coverage of \$550,000. The highest category is 41 passengers or more, which has a suggested combined single-limit coverage of \$1,000,000. The remainder of the table provides for \$50,000 additional coverage at each category for one person injured, and \$200,000 to \$250,000 additional combined single-accident coverage. It is further proposed that minimum insurance coverages should be reviewed every three years, to anticipate needed changes.

The transportation attorney suggested that GOs 101 and 115 be combined to include passenger stages and charter-party carriers as one category. He favored increasing insurance protection and recommended that California adopt the minimum coverage recently adopted by the ICC. He argued that adopting minimum insurance requirements in California considerably in excess of that required by the federal government will burden California intrastate operators with increased premiums and other costs.

The Bus Regulatory Reform Act of 1982 (BRRA) (96 Stat 1102 1129, Public Law 97-261-September 20, 1982) increased the minimal level of insurance required of motor vehicle passenger carriers for hire subject to ICC jurisdiction. The Secretary of Transportation was allowed under the BRRA to reduce for two years the minimum coverage to be maintained by passenger carriers. The pertinent sections read as follows:

- "(1) For any vehicle with a seating capacity of 16 passengers or more not less than \$5,000,000, except that the Secretary is authorized to reduce such amount to an amount not less than \$2,500,000 for the 2-year period beginning on November 19, 1983, or any part of such period, and
- "(2) For any vehicle with a seating capacity of 15 passengers or less not less than \$1,500,000, except that the Secretary is authorized to reduce such amount to an amount not less than \$750,000 for any class of such vehicles or operations for the 2-year period beginning on November 19, 1983, or any part of such period."

The Secretary adopted \$750,000 as the minimum coverage required for vehicles with a seating capacity of 15 or less, and \$2,500,000 as the minimum financial responsibility for vehicles with a capacity of 16 or more passengers for the two-year period from November 19, 1983 through November 19, 1985. The minimums adopted are based on information received from the Federal Highway Administration which indicated that less than one one-hundredth of 1% of all commercial vehicle accidents result in claim settlements of more than \$500,000. The Commission staff has advised the Commission that it has no objection to adopting the minimum coverage approved by the Secretary of Transportation and adopted by the ICC as published in the ICC Register on January 17, 1984, to be effective on February 16, 1984. As noted in the above publication, effective November 19, 1985, these minimum limits adopted by the ICC will increase to \$1,500,000 for vehicles with a seating capacity of 15 or less and \$5,000,000 for vehicles with a seating capacity of 16 or more.

There was no stated objection to the increases recommended for the other carriers. Nonetheless, we will state the present coverage required of each class and refer to the new totals recommended by the percent of increase in each category.

GO 111-B contains the current minimum insurance requirements for vessel common carriers by D.74925, C.6429, adopted November 13, 1968, effective March 1, 1969:

TABLE 2

(1)	(2)	(3)	(4)	(5)
Property only (no passengers)	\$100,000	\$ 300,000	\$50,000	\$ 350,000
1 - 99 passengers	100,000	500,000	50,000	550,000
100 - 199 passengers	100,000	550,000	50,000	600,000
200 - 299 passengers	100,000	600,000	50,000	650,000
300 - 399 passengers	100,000	650,000	50,000	700,000
400 - 499 passengers	100,000	700,000	50,000	750,000
500 - 999 passengers	100,000	1,000,000	50,000	1,000,000
1,000 - 1,999 passengers	100,000	1,500,000	50,000	1,500,000
2,000 or more passengers	100,000	2,000,000	50,000	2,000,000

- (1) Kind of equipment (passenger seating capacity).
- (2) For bodily injuries to or death of one person.
- (3) For bodily injuries to, or death of all persons injured or killed, in any one accident (subject to a maximum of \$100,000 for bodily injuries to, or death of one person).
- (4) For loss or damage, in any one accident, to property of others (excluding cargo).
- (5) Minimum for single limit coverage.

It is recommended that the totals in Column (2) be raised from \$100,000 to \$150,000. Coverage noted in Column (3) is to be doubled in each category, with a maximum of \$150,000 for bodily injuries or death of one person. All coverage noted in Columns (4) and (5) is to be doubled under the staff recommendation.

GO 121-A contains the current minimum insurance requirements for for-hire vessels (by D.74925, C.7778, adopted November 13, 1968, effective March 1, 1969):

TABLE 3

1 - 6 passengers	\$100,000	\$300,000	\$50,000	\$350,000
7 - 16 passengers	100,000	350,000	50,000	400,000
17 - 22 passengers	100,000	400,000	50,000	450,000
23 - 49 passengers	100,000	450,000	50,000	500,000
50 - 99 passengers	100,000	500,000	50,000	550,000
100 or more passengers	100,000	550,000	50,000	600,000

The staff has suggested that the totals in the first column be increased from \$100,000 to \$150,000. The second column, (3) on the prior table, will be doubled for all six categories, except that coverage will be \$150,000 for injury or death to one person. The totals in Columns 3 and 4 are also doubled for all categories.

GO 120-C contains the current minimum insurance requirements for commercial air operators, such as, flight schools and intrastate air carriers still subject to Commission jurisdiction (D.79817, C.7777, adopted March 21, 1972, effective May 1, 1972):

"(A) Aircraft with Passenger Seating Capacity, 1 to 20 persons:

- "1. ...a minimum of \$100,000 for one passenger seat and a minimum for each accident of at least the amount of passenger capacity multiplied by \$100,000.
- "2. ...a minimum of \$100,000 for one person and \$300,000 for each accident for bodily injury or death of a non-passenger.
- "3. ...a minimum of \$100,000 for each accident for property damage.

"(B) Aircraft with Passenger Seating Capacity, 21 or more persons:

- "1. Same as (A) 1. above.
- "2. ...a minimum of \$100,000 per person and \$600,000 per accident for bodily injury or death of a non-passenger.
- "3. ...a minimum of \$500,000 for each accident."

The staff has recommended that the coverage of \$100,000 for single-passenger aircraft ((A) 1.) be increased to \$150,000, and the minimum for each additional passenger seat be raised from \$100,000 to \$150,000. The minimum requirements in Section (A) 2. will be raised to \$150,000 and \$500,000, respectively. The minimum ((A) 3.) of \$100,000 coverage for property damage in each accident will remain the same.

The recommended increase for the coverage provided in (B) 1. is the same as that provided for (A) 1. (B) 2. coverage is increased to \$150,000 for one person in one accident (excluding persons on the aircraft), and to \$1,000,000 for one accident. Property damage liability will remain the same, \$500,000 for each accident.

GO 120-C has the following paragraphs applicable to aircraft carrying freight exclusively:

"(D) Aircraft Transporting Freight exclusively having a gross weight of 20,000 pounds or less.

"1. Aircraft Bodily Injury and Death Liability (excluding flight crew aboard aircraft)--a minimum of \$100,000 for one person in one accident, and a minimum of \$300,000 for each accident.

"2. Aircraft Property Damage Liability (excluding freight aboard aircraft)--a minimum of \$100,000 for each accident."

"(E) Aircraft Transporting Freight exclusively having a gross weight of over 20,000 pounds.

"1. Aircraft Bodily Injury and Death Liability (excluding flight crew aboard aircraft)--a minimum of \$100,000 for one person in one accident, and a minimum of \$600,000 for each accident.

"2. Aircraft Property Damage Liability (excluding freight aboard aircraft)--a minimum of \$500,000 for each accident."

It is recommended that the (D) 1. totals be increased to \$150,000 and \$500,000, respectively, and that the (D) 2. requirement

remain at \$100,000 for property damage resulting from a single accident. (E) 1. minimums be increased to \$150,000 for one person and to \$1,000,000 for each accident, and that the (E) 2. minimum of \$500,000 not be changed.

Discussion

One issue remains for further consideration--the staff recommendation that a carrier's operating authority should be automatically suspended when insurance coverage is suspended or canceled for any reason, and whether the authority should automatically be cancelled 30 days after the suspension if the insurance is not reinstated. This suggestion was opposed by two of the parties who submitted written comments.

Subsequent to the staff's recommendation, the Commission adopted on May 16, 1984, Resolution PE-498 which authorizes the Executive Director to suspend or revoke authorities of passenger stage corporations and charter-party carriers of passengers for lack of insurance. This resolution also provides that the Executive Director may reinstate such operating authorities if (1) within 60 days a request for reinstatement is received, (2) the failure giving rise to the revocation is cured, and (3) a reinstatement fee of \$50 is paid.

The above procedure provides greater flexibility for control of passenger operating authorities and may provide better passenger service to the public than staff's proposed automatic revocation of authority. Therefore the suspension/cancellation provision should remain as it is presently written in GOs 101-C and 115-B.

The minimum coverages adopted by the ICC will increase in November 1985. We see no need to reexamine next year the insurance levels already adopted by the federal government. The minimum coverage adopted here will include the increased coverage required the ICC in 1985.

GD 120-C concerns commercial air operators and passenger air carriers subject to Commission jurisdiction. The amended general order (120-D) which will replace it notes in the first line that the two types of operator covered are defined in PU Code §§ 2741 and 5500. The former section limits jurisdiction to carriers "for compensation within points in this state." The latter section defines a commercial air operator. The principal reason for amending the general order was to clarify the type of carrier subject to Commission jurisdiction. That amendment should be adopted.

Findings of Fact

1. This investigation was instituted to determine whether minimum liability insurance required of passenger and air freight carriers subject to Commission jurisdiction should be increased.
2. Copies of the OII were distributed to diverse parties with a likely interest in the proceeding.
3. There was no public comment, although the order solicited written comments or arguments.
4. A state agency, insurance company, and a transportation attorney filed written comments which allege that the minimum insurance coverage recommended for passenger carrying vehicles was excessive and unreasonable.

5. After consideration the Commission staff accepted the minimum insurance coverage for passenger carrying vehicles adopted the ICC.

6. This action substantially eliminated the objections of those who filed written arguments.

7. The recommended increases in minimum coverage suggested the other categories covered in this investigation should be adopted. No written arguments, suggestions, or protests with respect to such proposals were received.

8. Public interest requires the increasing of the minimum liability insurance requirements for passenger stage corporations, charter-party carriers, vessel common carriers, for-hire vessels, intrastate air carriers and commercial air operators under the jurisdiction of this Commission to the extent noted in this decision and the appendices attached hereto.

9. Federally authorized or exempted air carriers will be deleted from GO 120-C by amended 120-D.

10. The proposed revocation and suspension provisions of all GOs included in the OII are reasonably required to protect the public interest and should be adopted.

Conclusions of Law

1. Public safety requires that minimum insurance coverage for the passenger and commercial carriers identified here be increased.

2. Public interest requires that operative rights be suspended and/or cancelled by failure to maintain minimum insurance coverage on file with the Commission.

3. GOs containing public liability and property damage insurance minimums for various classes of carriers should be revised and amended as provided in the following order.

O R D E R

IT IS ORDERED that:

1. General Orders (GOs) 101-C, 115-B, 111-B, 121-A, 120-C, a 100-J are amended in the manner set forth in Appendices A, B, C, D, E, and F attached. The GOs, as amended, shall be republished and designated as GOs 101-D, 115-C, 111-C, 121-B, 120-D, and 100-K.

2. Copies of the amended General Orders shall be mailed to a passenger or commercial carriers who are affected by them.

3. This decision increases minimum liability insurance to be maintained by passenger stage corporations, charter-party carriers, vessel common carriers, for-hire vessels, and intrastate passenger air carriers and commercial air operators with no interstate operations; and it deletes insurance requirements for federally authorized and exempted passenger air carriers.

4. In order to accomplish printing and service upon responde carriers, the revised general orders contained in the attached appendixes shall become effective January 1, 1985.

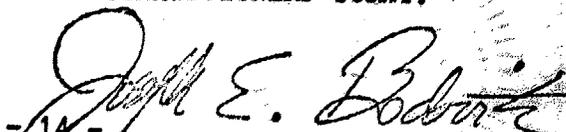
This order becomes effective 30 days from today.

Dated SEP 6 1984, at San Francisco, California

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Dir

GENERAL ORDER 101-D
(Supersedes General Order 101-C)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES REQUIRING ALL PASSENGER STAGE CORPORATIONS SUBJECT TO THE PUBLIC UTILITIES CODE TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRIERS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted SEP 6 1984 . Effective January 1, 1985.
(Decision 84 09 038 . OII 83-08-03.)

(1) Each passenger stage corporation, as defined in the Public Utilities Code shall provide and thereafter continue in effect, so long as it may engage in conducting such operations, adequate protection against liability imposed by law upon such carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) and for damage to or destruction of property, other than property being transported by such carrier for any ship or consignee, whether the property of one or more than one claimant, in amount not less than the amounts set forth in the following schedule:

<u>Vehicle Seating Capacity</u>	<u>Amount of Coverage Prior To November 19, 1985</u>	<u>Amount of Coverage Effective November 19, 1985</u>
Any vehicle with a seating capacity of 16 passengers or more	\$2,500,000	\$5,000,000
Any vehicle with a seating capacity of 15 passengers or less	\$ 750,000	\$1,500,000

(2) The protection herein required shall be provided in one of following ways:
(a) By a certificate or certificates of public liability insurance and property damage insurance in a form approved

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- by the Commission, issued by a company, or companies, licensed to write such insurance in the State of California, or by nonadmitted insurers subject to Section 1763 of the Insurance Code.
- (b) By an original bond, or bonds, issued by a surety company, or companies, permitted to write surety bonds in the State of California.
 - (c) By a certificate of insurance issued on behalf of Lloyd's of London by a special lines' surplus line broker licensed as such in this State.
 - (d) By any other plan of protection for the public approved as hereinafter required.
 - (e) By a plan of self-insurance approved as hereinafter required.
 - (f) By a combination of two or more of the foregoing methods.
- (3) The certificate of insurance or bond evidencing such protection hereinabove required shall not be cancelable on less than thirty days' written notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the office of the Commission.
- (4) The Commission will give consideration to and may approve the application of a passenger stage corporation to qualify as a self-insurer provided such passenger stage corporation files an application with the Commission supported by a true and accurate statement of its financial condition and other evidence which will establish to the satisfaction of the Commission the ability of such passenger stage corporation to satisfy its obligations for public liability and property damage within the limits hereinabove prescribed, without affecting the stability and permanency of the business of such passenger stage corporation.
- (5) The Commission will also consider applications for approval of other securities or agreements of indemnity and may approve any such applications if satisfied that the security or agreement of indemnity offered will afford the security for the protection of the public hereinabove contemplated.
- (6) Any passenger stage corporation engaged in interstate or intrastate operations within the State of California, which is and becomes qualified as a self-insurer with the Interstate Commerce Commission in accordance with the laws of the United States applicable to self-insurance by motor carriers and the rules of the Interstate Commerce Commission promulgated thereunder, shall be exempt, so long as such qualification remains effective, from the foregoing provisions of this General Order. Proof of the existence and continuation of such exempt status shall be filed with the Commission annually. Such proof shall be made by affidavit of the carrier. Additional affidavits or other proof of such qualification shall be filed in such form and at such times as the Commission may require.

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- (7) Each passenger stage corporation desiring to become qualified as a self-insurer, or to have orders or certificates issued by the Interstate Commerce Commission authorizing self-insurance accepted by this Commission, or to have other securities or agreements of indemnity accepted in lieu of the bond or insurance hereinabove provided, shall make application therefore to this Commission stating all of the facts which shall be required by the Commission with respect thereto. If such application is approved, the passenger stage corporation, while such order of approval remains effective, shall be exempt from furnishing a certificate of insurance or bond hereinabove provided.
- (8) Every insurance certificate, surety bond, or equivalent protection to the public shall contain a provision that such certificate, surety bond, or equivalent protection shall remain in full force and effect until cancelled in the manner provided by Section (4) of this General Order.
- (9) The cancellation or suspension of a policy of insurance or surety bond or the cancellation, suspension, or surrender of a certificate of self-insurance issued by this Commission or the Interstate Commerce Commission, or the impairment or destruction of any security, or the cancellation or termination of any agreement of indemnity, or the alteration (without first obtaining Commission authorization) of any agreement of indemnity, shall constitute good cause for suspension or revocation of the operating authority of the affected passenger stage corporation. No operation shall be conducted on any highway of the State of California unless a certificate of insurance, certificate of self-insurance coverage, bond, or the other securities or agreements of indemnity hereinabove specified, shall be in effect and on file with the Commission.

(END OF APPENDIX A)

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GENERAL ORDER 115-C
(Supersedes General Order 115-B)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES REQUIRING ALL CHARTER-PARTY CARRIERS OF PASSENGERS SUBJECT TO THE PUBLIC UTILITIES CODE TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRIERS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted SEP 6 1984 . Effective January 1, 1985. ✓

(Decision 84 09 038 . OII 83-08-03.) ✓

(1) Each charter-party carrier of passengers, as defined in the Public Utilities Code, shall provide and thereafter continue in effect, so long as it may engage in conducting such operations, adequate protection against liability imposed by law upon such carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) and for damage to or destruction of property, other than property being transported by such carrier for any shipper or consignee, whether the property of one or more than one claimant, in amounts not less than the amounts set forth in the following schedule:

<u>Vehicle Seating Capacity</u>	<u>Amount of Coverage Prior To November 19, 1985</u>	<u>Amount of Coverage Effective November 19, 1985</u>
Any vehicle with a seating capacity of 16 passengers or more	\$2,500,000	\$5,000,000
Any vehicle with a seating capacity of 15 passengers or less	\$ 750,000	\$1,500,000

(2) The protection herein required shall be provided in one of following ways:

- (a) By a certificate or certificates of public liability insurance and property damage insurance in a form approved

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- by the Commission, issued by a company, or companies, licensed to write such insurance in the State of California, or by nonadmitted insurers subject to Section 1763 of the Insurance Code.
- (b) By an original bond, or bonds, issued by a surety company, or companies, permitted to write surety bonds in the State of California.
 - (c) By a certificate of insurance issued on behalf of Lloyd's of London by a special lines' surplus line broker licensed as such in this State.
 - (d) By any other plan of protection for the public approved as hereinafter required.
 - (e) By a plan of self-insurance approved as hereinafter required.
 - (f) By a combination of two or more of the foregoing methods.
- (3) The certificate of insurance or bond evidencing such protection hereinabove required shall not be cancelable on less than thirty days' written notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the office of the Commission.
- (4) The Commission will give consideration to and may approve the application of a charter-party carrier of passengers to qualify as a self-insurer provided such charter-party carrier of passengers files an application with the Commission supported by a true and accurate statement of its financial condition and other evidence which will establish to the satisfaction of the Commission the ability of such charter-party carrier of passengers to satisfy its obligations for public liability and property damage within the limits hereinabove prescribed, without affecting the stability and permanency of the business of such charter-party carrier of passengers.
- (5) The Commission will also consider applications for approval of other securities or agreements of indemnity and may approve any such applications if satisfied that the security or agreement of indemnity offered will afford the security for the protection of the public hereinabove contemplated.
- (6) Any charter-party carrier of passengers engaged in interstate or intrastate operations within the State of California, which is and becomes qualified as a self-insurer with the Interstate Commerce Commission promulgated thereunder, shall be exempt, so long as such qualification remains effective, from the foregoing provisions of this General Order. Proof of the existence and continuation of such exempt status shall be filed with the Commission annually. Such proof of such qualification shall be filed in such form and at such times as the Commission may require.

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(7) Each charter-party carrier of passengers desiring to become qualified as a self-insurer, or to have orders or certificates issued by the Interstate Commerce Commission authorizing self-insurance accepted by this Commission, or to have other securities or agreements of indemnity accepted in lieu of the bond or insurance hereinabove provided, shall make application therefore to this Commission stating all of the facts which shall be required by the Commission with respect thereto. If such application is approved, such charter party carrier of passengers, while such order of approval shall remain effective, shall be exempt from furnishing a certificate of insurance or bond hereinabove provided.

(8) Every insurance certificate, surety bond, or equivalent protection to the public shall contain a provision that such certificate, surety bond, or equivalent protection shall remain in full force and effect until cancelled in the manner provided by Section (4) of this General Order.

(9) The cancellation or suspension of a policy of insurance or surety bond or the cancellation, suspension, or surrender of a certificate of self-insurance issued by this Commission or the Interstate Commerce Commission, or the impairment or destruction of any security, or the cancellation or termination of any agreement of indemnity, or the alteration (without first obtaining Commission authorization) of any agreement of indemnity, shall constitute good cause for suspension or revocation of the operating authority of the affected charter-party carrier of passengers. No operation shall be conducted on any highway of the State of California unless a certificate of insurance, certificate of self-insurance coverage, bond, or the other securities or agreements of indemnity hereinabove specified, shall be in effect and on file with the Commission.

(END OF APPENDIX B)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES AND REGULATIONS REQUIRING ALL VESSEL COMMON CARRIERS SUBJECT TO THE PUBLIC UTILITIES CODE TO PROVIDE THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRIERS FOR PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted SEP 6 1984 . Effective January 1, 1985.

(Decision 84 09 088 . OII 83-08-03).

(1) Every vessel common carrier, as defined in the Public Utilities Code, shall provide and thereafter continue in effect, so long as it may be engaged in conducting such operations, adequate protection against liability imposed by law upon such carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) and for damage to or destruction of property, other than property being transported by such carrier for any ship or consignee, whether the property of one or more than one claimant, in amounts not less than the amounts set forth in the following schedule:

Kind of Equipment (Passenger Seating Capacity)	For bodily injuries to or death of all persons injured or killed, in any one accident (subject to a maximum of \$150,000 for bodily injuries to or death of one person)		For loss or damage, in any one accident, to property of others (excluding cargo)		Minimum for Single Limit Coverage
	Property Only (No passengers) -----	\$150,000	\$ 600,000	\$100,000	\$ 700,000
1 - 99 passengers	"	"	1,000,000	"	1,100,000
100 - 199 "	"	"	1,100,000	"	1,200,000
200 - 299 "	"	"	1,200,000	"	1,300,000
300 - 399 "	"	"	1,300,000	"	1,400,000
400 - 499 "	"	"	1,400,000	"	1,500,000
500 - 999 "	"	"	2,000,000	"	2,100,000
1,000 - 1,999 "	"	"	3,000,000	"	3,100,000
2,000 or more passengers	"	"	4,000,000	"	4,100,000

(2) The amount of coverage to be provided by each carrier shall be determined in one of the following ways:

- (a) Where the policy, surety bond or contract covers more than one vessel, the coverage for all vessels shall be determined by the coverage applicable to that covered vessel which has the highest requirement.
- (b) Where each vessel is covered by a separate policy, bond or contract or by separate schedules each of which is applicable to a single vessel within a policy, bond or contract covering two or more vessels, then the minimum required coverage for each vessel shall be determined by its own individual requirement.

(3) The protection herein required shall be provided in one of the following ways:

- (a) By a certificate or certificates of public liability insurance and property damage insurance in a form approved by the Commission, issued by a company, or companies, licensed to write such insurance in the State of California, or by nonadmitted insurers subject to Section 1760.5 of the Insurance Code.
- (b) By an original bond, or bonds, issued by a surety company, or companies, permitted to write surety bonds in the State of California.
- (c) By a certificate of insurance issued on behalf of Lloyd's of London by a special lines' surplus line broker licensed as such in this State.
- (d) By any other plan of protection for the public approved as hereinafter required.
- (e) By a plan of self-insurance approved as hereinafter required.
- (f) By a combination of two or more of the foregoing methods.

(4) When protection is to be provided by the means set forth in subparagraphs (a), (b), (c), (d), and (f) of paragraph (3) hereof, a deductibility clause may be inserted. Where 5 per centum, or less, of the risk is made deductible, no special approval will be required. Where more than 5 per centum of the risk is made deductible, special approval under paragraph (6) of this general order shall be required.

(5) The protection provided hereunder shall not be cancelable on less than thirty days' written notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the office of the Commission.

(6) When the protection is provided by an approved alternate plan or a plan of self-insurance, or includes approved plan or plan of self-insurance with other methods, approval of the Commission is required. Such approval shall be requested by a formal application in accordance with the Commission's Rules of Practice and Procedure setting forth all the facts which shall be required by the Commission with respect thereto.

(7) Every insurance certificate, surety bond or alternate plan of equivalent protection to the public shall provide that such certificate, surety bond or alternate plan of equivalent protection shall remain in full effect until canceled in the manner provided by Paragraph (5) of this General Order.

(8) The cancellation of a certificate of insurance or surety bond, or the impairment or destruction of any the cancellation or termination of any approved alternate plan, shall constitute good cause for suspension or revocation of the operating authority of the affected vessel common carrier. No operation shall be conducted in the State of California unless a certificate of insurance, surety bond, or approved alternate plan of equivalent protection hereinabove specified shall be in effect and on file with the Commission.

(9) On or prior to commencing operations, each vessel common carrier shall file an affidavit (signed by an officer of a corporation, by a partner if a partnership, or by the owning operator if an individual) with the Commission setting forth the passenger seating capacity of each type of vessel in commercial operation. At that time the passenger seating capacity of any such vessel may be increased to a point where the protection then provided in paragraph 1 of this general order is inadequate, and if a new type of vessel is acquired and operated with supplementary capacity, or a new vessel with capacity in excess of coverage theretofore on file, the vessel common carrier shall cause to be filed evidence of additional coverage sufficient to comply with the minimum limits heretofore set forth.

(10) The affidavit referred to in Paragraph (9) shall be on paper 8 1/2 by 11 inches in size, and shall be substantially in the form as follows:

APPENDIX C
Page 3

AFFIDAVIT OF VESSEL COMMON CARRIERS

Legal Name of Vessel Common Carrier

Check () individual, () partnership*, () corporation,
() other _____

* List names of all partners.

Mailing Address _____

To Public Utilities Commission of
the State of California
License Section, Transportation Division
State Building
San Francisco, CA 94102

This is to certify that the above-named carrier operates the following:

List Each Type of Vessel in
Commercial Operation

Passenger Seating Capacity

I hereby certify under penalty of perjury that the foregoing is true and correct.

Authorized Representative

Title

Date Signed

Placed Signed

(END OF APPENDIX C)

GENERAL ORDER 121-B
(replaces General Order 121-A)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES REQUIRING ALL FOR-HIRE VESSEL OPERATORS SUBJECT TO THE PUBLIC UTILITIES CODE TO PROVIDE AND THEREAFTER IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH FOR-HIRE VESSEL OPERATORS FOR THE OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted SEP 6 1984, Effective January 1, 1985
(Decision 84 09 033, OII 83-08-03.)

(1) Every operator of a "for-hire vessel", as defined in Section 4661 of the Public Utilities Code, shall provide thereafter continue in effect, so long as he may be engaged in conducting for-hire vessel operations, adequate protection against liability imposed by law upon such operator for the payment of damages for personal bodily injuries (including death resulting therefrom) and for damage to or destruction of property, other than property being transported by such operator for any shipper or consignee, whether the property of one or more than one claimant, in amounts not less than the amounts set forth in the following schedule:

Kind of Equipment (Passenger Seating Capacity)	For bodily injuries to or death of one person	For bodily injuries to or death of all persons injured or killed, in any one accident, (subject to a maximum of: \$150,000 for bodily injuries to or death of one person)	For loss or damage, in: any one accident, to property of others (excluding cargo)	Minimum for Single Limit Coverage
1 - 6 passengers	\$150,000	\$ 600,000	\$100,000	\$ 700,000
7 - 16 "	"	700,000	"	800,000
17 - 22 "	"	800,000	"	900,000
23 - 49 "	"	900,000	"	1,000,000
50 - 99 "	"	1,000,000	"	1,100,000
100 or more passengers	"	1,100,000	"	1,200,000

- (2) The amount of coverage to be provided by each operator shall be determined in one of the following ways:
- (a) Where the policy, surety bond or contract covers more than one vessel, the coverage for all vessels shall be determined by the coverage applicable to that covered vessel which has the highest requirement.
 - (b) Where each vessel is covered by a separate policy, bond or contract or by separate schedules each of which is applicable to a single vessel within a policy, bond or contract covering two or more vessels, then the minimum required coverage for each vessel shall be determined by its own individual requirement.
- (3) The protection herein required shall be provided in one of the following ways:
- (a) By a certificate, or certificates, of bodily injury liability insurance and property damage insurance, in a form approved by the Commission, issued by a company, or companies, licensed to write such insurance in the State of California, or by nonadmitted insurers subject to Section 1760.5 of the Insurance Code.
 - (b) By an original bond, or bonds, issued by a surety company, or companies, licensed to write surety bonds in the State of California.
 - (c) By a certificate of insurance issued on behalf of Lloyd's of London by a special lines' surplus line broker licensed as such in this State.
 - (d) By any other plan of protection for the public approved as hereinafter required.
 - (e) By a plan of self-insurance approved as hereinafter required.
 - (f) By a combination of two or more of the foregoing methods.
- (4) When protection is to be provided by the means set forth in subparagraphs (a), (b), (c), (d), and (f) of paragraph (3) hereof, a deductibility clause may be inserted. Where 5 per centum, or less, of the risk is made deductible, no special approval will be required. Where more than 5 per centum of the risk is made deductible, special approval under paragraph (6) of this general order shall be required.
- (5) The protection provided hereunder shall not be cancellable on less than thirty days' notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the office of the Commission.
- (6) When the protection is provided by an approved alternate plan or a plan of self-insurance, or includes such approved plan or plans of self-insurance with other methods, approval of the Commission is required. Such approval shall be requested by a formal application in accordance with the Commission's Rules of Practice and Procedure set forth all the facts which shall be required by the Commission with respect thereto.

Every insurance certificate, surety bond or alternate plan of equivalent protection to the public shall have provision that such certificate, surety bond or alternate plan of equivalent protection shall remain in full effect until canceled in the manner provided by Paragraph (5) of this General Order.

(8) The cancellation of a certificate of insurance or surety bond, or the impairment or destruction of any of the cancellation or termination of any approved alternate plan, shall constitute good cause for the Commission the for-hire vessel operator to cease and desist from conducting all operations subject to the Commission's jurisdiction. No operation shall be conducted within the State of California unless a certificate of insurance bond, or approved alternate plan of equivalent protection hereinabove specified, shall be in effect and on file with the Commission.

(9) Each for-hire vessel operator subject to the jurisdiction of this Commission shall file an affidavit (signature of executive officer of a corporation, by a partner if a partnership, or by the owning operator if an individual) with the Commission setting forth the passenger seating capacity of such type of vessel in commercial operation. At any time that the passenger seating capacity of any such vessel may be increased to a point where the protection then provided in paragraph 1 of this general order is inadequate, and if a new type of vessel is acquired and operated, a supplementary affidavit of passenger seating capacity shall be filed with the Commission. Prior to the operation of a vessel with added capacity, or a new vessel with capacity in excess of coverage theretofore on file, the for-hire vessel operator shall cause to be filed evidence of additional coverage sufficient to comply with the minimum limits heretofore set forth.

(10) The affidavit referred to in Paragraph (9) shall be on paper 8 1/2 by 11 inches in size, and shall be in form substantially as follows:

AFFIDAVIT OF FOR-HIRE VESSEL OPERATORS

Legal Name of For-Hire Vessel Operator _____

Check () individual, () partnership*, () corporation,
() other _____

* List names of all partners.

Mailing Address _____

To Public Utilities Commission of
the State of California
License Section, Transportation Division
State Building
San Francisco, CA 94102

This is to certify that the above-named carrier operates the following:

List Each Type of Vessel in
Commercial Operation

Passenger Seating Capacity

I hereby certify under penalty of perjury that the foregoing is true and correct.

Authorized Signature _____

Title _____

Date Signed _____

Placed Signed _____

(END OF APPENDIX D)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES REQUIRING ALL COMMERCIAL AIR OPERATORS AND PASSENGER AIR CARRIERS SUBJECT TO THE PUBLIC UTILITIES CODE TO PROVIDE AND THEREAFTER CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH OPERATORS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO DESTRUCTION OF PROPERTY.

Adopted SEP 6 1984 . Effective January 1, 1985.

(Decision 84 09 038 OII 83-08-03).

1. Every commercial air operator and passenger air carrier ^{1/} as defined in Sections 2741 and 5500 of the Utilities Code shall provide, and thereafter continue in effect so long as such operator continues to offer his services for compensation, adequate protection against liability imposed by law upon such operator for the payment of damages for personal bodily injuries, including death resulting therefrom, and for damage to or destruction of property as a result of an accident, subject, however, to the following minimum limits:

(A) Aircraft with Passenger Seating Capacity, 1 to 20 persons.

1. Aircraft Passenger Bodily Injury and Death Liability - a minimum for one passenger seat of at least \$150,000 and a minimum for each accident in any one aircraft of at least an amount equal to the total produced by multiplying \$150,000 by the number of passenger seats in the aircraft.
2. Bodily Injury and Death Liability (excluding persons aboard aircraft) - a minimum of \$150,000 for one person in one accident, and a minimum of \$500,000 for each accident.
3. Property Damage Liability - a minimum of \$100,000 for each accident.

(B) Aircraft with Passenger Seating Capacity, 21 or more persons.

1. Aircraft Passenger Bodily Injury and Death Liability - a minimum for one passenger seat of at least \$150,000 and a minimum for each accident in any one aircraft of at least an amount equal to the total produced by multiplying \$150,000 by the number of passenger seats in the aircraft.
2. Bodily Injury and Death Liability (excluding persons aboard aircraft) - a minimum of \$150,000 for one person in one accident, and a minimum of \$1,000,000 for each accident.
3. Property Damage Liability - a minimum of \$500,000 for each accident.

(C) Definitions of the words "passenger" and "seat".

1. "Passenger" means any person, other than an employee of the commercial air operator or passenger air carrier protected by Worker's Compensation Insurance, aboard the aircraft to whom the commercial air operator or passenger air carrier owes a duty imposed by law.
2. "Seat" means the space provided aboard the aircraft to be reasonably occupied by one passenger.

(D) Aircraft Transporting Freight exclusively having a gross weight of 20,000 pounds or less.

1. Bodily Injury and Death Liability (excluding flight crew aboard aircraft) - a minimum of \$150,000 for one person in one accident, and a minimum of \$500,000 for each accident.
2. Property Damage Liability (excluding freight aboard aircraft) - a minimum of \$100,000 for each accident.

(E) Aircraft Transporting Freight exclusively having a gross weight of over 20,000 pounds.

1. Bodily Injury and Death Liability (excluding flight crew aboard aircraft) - a minimum of \$150,000 for one person in one accident, and a minimum of \$1,000,000 for each accident.
2. Property Damage Liability (excluding freight aboard aircraft) - a minimum of \$500,000 for each accident.

2. The amount of coverage to be provided by each commercial air operator and passenger air carrier shall be determined in one of the following ways:

- (A) When the policy, surety bond or contract covers all of the aircraft operated by the commercial air operator or passenger air carrier, the coverage for all aircraft shall be determined by the coverage applicable to the aircraft having the greatest passenger seating capacity.
- (B) When each aircraft is covered by a separate policy, bond or contract, or by separate schedules each of which is applicable to a single aircraft within a policy, bond or contract covering two or more aircraft, then the minimum required coverage for each aircraft shall be determined by its own individual requirement.

1 classes of federally authorized or exempted air carriers are no longer subject to state regulation. Federal Aviation Act, 49 U.S.C. 1305(a); Hughes Air Corp., et al. vs. Public Utilities Commission, et al., 644 F.2d 1334 (9th Cir. 1981).

- (C) When the policy, surety bond or contract procured by the commercial air operator or passenger air carrier is of a single limit nature, such policy, surety bond or contract shall be acceptable by the Commission provided that the minimum single limit of the policy, surety bond or contract is at least equal to the total of the minimum limits as determined by paragraph 1 herein for separate limit policies, surety bonds or contracts.
- (D) Coverage herein shall be deemed sufficient as to each aircraft operated commercially when the minimum requirements set forth in paragraph 1 have been met and filed with the Commission and nothing herein shall require two or more persons to separately insure the same aircraft; however, nothing herein shall prevent two or more persons who are commercial air operators or passenger air carriers from being named as insureds on the same policy of insurance, surety bond or contract.
- (E) When the actual limits of insurance, surety bond or contract exceed the minimum amounts set forth in paragraph 1 herein, the commercial air operator or passenger air carrier filing evidence of insurance as hereinafter provided may report only said minimum coverage and need not specify the amounts of insurance, bond or contract indemnity in excess of said minimum requirements.
3. The protection herein required shall be provided in one of the following ways:
- (A) By a policy, or policies, of public liability insurance and property damage insurance issued by a company, or companies, licensed to write such insurance in the State of California.
- (B) By an original bond or bonds issued by a surety company, or companies, licensed to write surety bonds in the State of California.
- (C) By a plan of self-insurance approved as hereinafter required.
- (D) By a policy, or policies of public liability insurance and property damage insurance written by nonadmitted insurers, subject, however, to Section 1760.5 of the Insurance Code of the State of California.
- (E) By any other plan of protection for the public approved as hereinafter required.
- (F) By a combination of two or more of the foregoing methods.
4. When protection is to be provided by the means set forth in subparagraphs (A), (B), (D), (E), and (F) of paragraph 3 hereof, a deductibility clause may be inserted. Where 5 per centum, or less, of the risk is made deductible, no special approval will be required. Where more than 5 per centum of the risk is made deductible, special approval under paragraph 6 of this general order shall be required.
5. The protection provided hereunder shall not be cancelable on less than thirty days' written notice to the Public Utilities Commission, such notice to commence to run from the date the notice is actually received at the office of the Commission.
6. When the protection is provided by an approved alternate plan or a plan of self-insurance, or includes such approved plan or plan of self-insurance with other methods, approval of the Commission is required. Such approval shall be requested by a formal application in accordance with the Commission's Rules of Practice and Procedure and set forth all the facts which shall be required by the Commission with respect thereto.
7. When protection hereunder, as set forth in paragraph 3, is provided by a policy, or policies, of insurance, or by bonds, evidence thereof shall be filed with the Public Utilities Commission by the commercial air operator or passenger air carrier, insurance company, or surety company on or prior to commencing operations in one or more of the following manners:
- (A) By the original surety bond.
- (B) By a certificate, or certificates, of insurance, in form approved by the Commission, signed by the company issuing the policy, or by the underwriting managers for a group of companies issuing such policy, or, in the case of a nonadmitted company by the broker placing such coverage.
8. The bonds or certificates above referred to, shall evidence that the coverage shall apply to any and all commercial flights operated by the insured, irrespective of whether the aircraft involved in the liability insured are specifically described in the policy (unless the policy or policies are written on a single specific aircraft) and shall not be subject to any exclusion by virtue of violations by said commercial air operator or passenger air carrier of any applicable provisions of the Federal Aviation Act of 1958, as amended, or of any rule, regulation, or other legally imposed requirement prescribed by the Federal Aviation Agency or Civil Aeronautics Board.
9. Every insurance certificate, surety bond or alternate plan of equivalent protection to the public shall contain provision that such certificate, surety bond or alternate plan of equivalent protection shall remain in full force and effect until canceled in the manner provided by Paragraph 5 of this General Order.
10. The cancellation of a certificate of insurance or surety bond or the cancellation or termination of any approved alternate plan, or the impairment or destruction of any security, or the cancellation or termination of any agreement of indemnity, or the alteration (without first obtaining Commission authorization) of any agreement of indemnity, shall constitute good cause for the Commission to order the affected commercial air operator or passenger air carrier to cease and desist from conducting all operations subject to the Commission's jurisdiction. No operation shall be conducted in the State of California unless a certificate of insurance, surety bond, approved alternate plan of equivalent protection, or the other securities or agreements of indemnity hereinabove specified, shall be in effect on file with the Commission.

11. On or prior to commencing operations, each commercial air operator and passenger air carrier shall file affidavit, (signed by an executive officer of a corporation, by a partner if a partnership, or by the owner if an individual) with the Commission setting forth the passenger seating capacity and gross weight carrying of each type of aircraft in commercial operation. At any time that the passenger seating capacity or gross carrying capacity of any such aircraft may be increased to a point where the protection then on file as provided in paragraph 1 of this general order is inadequate, and if a new type of aircraft is acquired and operated, a supplementary affidavit of passenger seating capacity and gross weight carrying capacity shall be filed with the Commission. Prior to the operation of added capacity, or new aircraft with capacity in excess of coverage then on file, the commercial air operator or passenger air carrier shall cause to be filed evidence of additional sufficient to comply with the minimum limits heretofore set forth.

12. The affidavit referred to in Paragraph 11 shall be on paper 8 1/2 by 11 inches in size, and shall be in substantially as follows:

APPENDIX E
Page 4

AFFIDAVIT OF STATE REGULATED COMMERCIAL
AIR OPERATORS AND PASSENGER AIR CARRIERS

Legal Name of Operator or Carrier _____

Check () individual, () partnership*, () corporation,
() other _____

* List names of all partners.

Mailing Address _____

To Public Utilities Commission of
the State of California
License Section, Transportation Division
State Building
San Francisco, CA 94102

This is to certify that the above-named carrier operates the following:

List Each Type of Aircraft In Commercial Operation	Passenger Seating Capacity	Gross Weight Carrying Capacity
_____	_____	_____
_____	_____	_____
_____	_____	_____

I hereby certify under penalty of perjury that the foregoing is true and correct.

Authorized Representative _____

Title _____

Date Signed _____

Placed Signed _____

(END OF APPENDIX E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES AND REGULATIONS REQUIRING ALL HIGHWAY CARRIERS, FREIGHT FORWARDERS WHICH OPERATE MOTOR VEHICLES, HOUSEHOLD GOODS CARRIERS AND HIGHWAY CARRIERS ENGAGED IN INTERSTATE OR FOREIGN TRANSPORTATION OF PROPERTY WHICH ARE EXEMPT FROM REGULATION BY THE INTERSTATE COMMERCE COMMISSION, TO PROVIDE AND THE CONTINUE IN EFFECT ADEQUATE PROTECTION AGAINST LIABILITY IMPOSED BY LAW UPON SUCH CARRIERS FOR THE PAYMENT OF DAMAGES FOR PERSONAL BODILY INJURIES (INCLUDING DEATH RESULTING THEREFROM) AND DAMAGE TO OR DESTRUCTION OF PROPERTY.

Adopted SEP 6 1984 . Effective January 1, 1985.
(Decision 84 09 028 OII 83-08-03.)

(1) Every highway carrier, (except highway common carriers of petroleum products in bulk in tank vehicle truck carriers and vacuum truck carriers, when transporting petroleum and/or petroleum products, including waste petroleum and petroleum products), freight forwarder which operates motor vehicles, and household goods carrier defined in the Public Utilities Code, and every highway carrier engaged in interstate or foreign transportation of property (except petroleum and/or petroleum products including waste petroleum and petroleum products, in bulk in tank vehicles) for compensation in or through California which is exempt from regulation by the Interstate Commerce Commission, shall provide and thereafter continue in effect so long as they may be engaged in conducting such operations, adequate protection against liability imposed by law upon such carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) in the amount of not less than two hundred thousand dollars (\$250,000) on account of bodily injuries to, or death of, one person; and protection against liability of such carriers on account of bodily injuries to, or death of, more than one person as a result of an accident, but subject to the same limitation for each person, in the amount of not less than five hundred thousand dollars (\$500,000) and protection in the amount of not less than one hundred thousand dollars (\$100,000) for accident resulting in damage to or destruction of property other than property being transported by such carrier for any shipper or consignee, whether the property of one or more than one claimant; or a combined single limit amount of not less than \$600,000 on account of bodily injuries to, or death of, one or more persons and/or destruction of property other than property being transported by such carrier for any shipper or consignee; or property of one or more than one claimant in any one accident.

(2) Every highway common carrier of petroleum products in bulk in tank vehicles, tank truck carrier or vacuum truck carrier, when transporting petroleum and/or petroleum products, including waste petroleum and petroleum products, and every highway carrier engaged in interstate or foreign transportation of petroleum and/or petroleum products, including waste petroleum and petroleum products, in bulk in tank vehicles for compensation in or through California which is exempt from regulation by the Interstate Commerce Commission, shall provide and thereafter continue in effect so long as they may be engaged in conducting such operations, adequate protection against liability imposed upon such carriers for the payment of damages for personal bodily injuries (including death resulting therefrom) in the amount of not less than five hundred thousand dollars (\$500,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of such carriers on account of bodily injuries to, or death of, more than one person as a result of any one accident, but subject to the same limitation for each person, in the amount of not less than one million dollars (\$1,000,000); and protection in an amount of not less than two hundred thousand dollars (\$200,000) for one accident resulting in damage to or destruction of property other than property being transported by such carrier for any shipper or consignee, whether the property of one or more than one claimant; or a combined single limit in the amount of not less than \$1,200,000 on account of bodily injuries to, or death of, one or more persons and/or damage to or destruction of property other than property being transported by such carrier for any shipper or consignee whether the property of one or more than one claimant in any one accident.

(3) The protection required under Sections (1) and (2) hereof shall be evidenced by the deposit with the Public Utilities Commission, covering each vehicle used or to be used in conducting the service performed by such carrier, freight forwarder which operates motor vehicles, and household goods carrier, of a Commission-authorized certificate of public liability and property damage insurance, issued by a company licensed to write such insurance in the State of California, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, or of a surety bond of a surety company licensed to write surety bonds in the State of California.

(4) The protection required under Sections (1) and (2) hereof by every highway carrier engaged in interstate or foreign transportation of property in or through California who is exempt from regulation by the Interstate Commerce Commission, shall be evidenced by the filing and acceptance of a Commission authorized certificate of insurance, or a surety bond, or qualification as a self-insurer as may be authorized.

(5) A certificate of insurance, or surety bond, evidencing such protection, shall not be cancellable or voidable without thirty (30) days' written notice to the Public Utilities Commission, such notice to commence to run from the date such notice is actually received at the office of the Commission.

✓ Air freight forwarders who provide ground pick-up and delivery services for shipments by federally licensed air carriers are not included in this definition. Federal Aviation Act, 49 U.S.A., §§ 1301 and 1305 (a).

- (6) Any highway carrier, freight forwarder or household goods carrier desiring to furnish equivalent protection to the public by means other than those prescribed in the foregoing sections, whether as a self-insurer or otherwise, shall file an application for authority to do so in accordance with the Commission's Rules of Practice and Procedure.
- (7) Every insurance certificate, surety bond or equivalent protection to the public shall contain a provision that such certificate, surety bond or equivalent protection shall remain in full force and effect until cancellation in the manner provided by Section (5) of this General Order.
- (8) Upon cancellation of an insurance certificate or surety bond, or the cancellation of equivalent protection authorized by this Commission, the operative authority of any highway carrier, freight forwarder subject to this registration issued by this Commission shall stand suspended immediately upon the effective date of such cancellation. The property in or through California who is exempt from regulation by the Interstate Commerce Commission shall be suspended immediately upon the effective date of cancellation, of any insurance certificate, surety bond or equivalent protection.
- (9) The suspension of the operative authority of any highway common carrier, cement carrier or freight forwarder pursuant to Section (8) hereof shall suspend also tariff filings of such carrier. Suspension supplements to tariffs suspended are not required and shall not be filed.
- (10) No carrier shall engage in any operation on any public highway in this State during the suspension of its operative authority or suspension of its registration.
- (11) The operative right or rights held by any highway common carrier, cement carrier or freight forwarder shall be subject to revocation in the manner provided by Section 1070 of the Public Utilities Code whenever the operative right of such carrier has been suspended under the provisions of this General Order.
- (12) No highway common carrier, cement carrier or freight forwarder whose operative rights have been suspended under the provisions of Section (8) of this General Order shall resume operations unless and until such carrier has filed an insurance certificate, surety bond or equivalent protection in effect at the time and which meet the standards set forth in this General Order. The operative rights of such complying carriers shall be reinstated immediately upon the filing of an insurance certificate, surety bond or equivalent protection.

(END OF APPENDIX F)